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Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 SAJ-01
OES-06 NSF-01 ERDA-05 NAS-01 /072 W
----------010754Z 125202 /11
R 310926Z JAN 77
FM AMEMBASSY BELGRADE
TO SECSTATE WASHDC 9400
INFO AMEMBASSY BONN
USMISSION EC BRUSSELS
AMEMBASSY ROME
AMEMBASSY MOSCOW
AMEMBASSY WARSAW

C O N F I D E N T I A L SECTION 1 OF 2 BELGRADE 566

EO 11652: NA
TAGS: TGEN TECH YO
SUBJ: US-YUGOSLAV COOPERATION IN SCIENCE AND TECHNOLOGY: THE POLITICAL STRAINS OF FUNCTIONAL INTERACTION

REF: (A) BELGRADE 405, (B) STATE 8451, (C) 76 STATE 295017, (D) BELGRADE 181, (E) 76 BELGRADE 7383, (F) HAMMOND TO KANAZIR LETTER OF JAN 19, 1976, (G) 76 STATE 291334, (H) 76 STATE 138683

SUMMARY: IN THE PAST YEAR, THREE MAJOR AND THREE MINOR PROBLEMS HAVE CONVERGED IN THE HIGHLY INTERACTIVE RELATIONSHIP BETWEEN YUGOSLAVIA AND THE UNITED STATES IN SCIENCE AND TECHNOLOGY. WHILE ONLY ONE, THE NUCLEAR EXPORT LICENSE FOR KRSKO, WOULD BY ITSELF HAVE A SERIOUS POLITICAL IMPACT, THE COINCIDENCE IN TIME OF ALL SIX CASTS ADDED SIGNIFICANCE ON EVEN MINOR PROBLEMS AND, WE FEAR, MAY LEAD THE YUGOSLAVS TO CONCLUDE WRONGLY THAT THE U.S. IS TIGHTENING ACCESS TO ITS SCIENCE AND TECHNOLOGY. THEY MAY EVEN RAISE THESE CONCERNS AT THE CSCE BELGRADE 77. RECOGNIZING THAT MOST OF THESE PROBLEMS ARE NOT EASILY SOLVED, THE EMBASSY ADVISES THE DEPARTMENT AND OTHER USG AGENCIES TO BE FORTHCOMING
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AND CANDID WITH THE YUGOSLAVS IN DISCUSSING IMPEDIMENTS TO SCIENTIFIC AND TECHNOLOGICAL COOPERATION. TO BE KEPT IN MIND IS THAT THE YUGOSLAVS PERCEIVE SCIENTIFIC COOPERATION WITH THE U.S. AS A POLITICAL ACT. HENCE, PROBLEMS CANNOT BE LEFT SIMPLY TO THE COLLEGIAL MEDIATION OF TECHNICIANS. SPECIFICALLY RECOMMENDED: FIRST, THE DEPARTMENT SHOULD LEAD A BRIEF INTERAGENCY STUDY ON WHETHER TO EXTEND THE USG FINANCIAL SUPPORT OF THE JOINT

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FUND AND PASS THE FINDINGS, WHICH WE ASSUME WILL BE NEGATIVE, TO THE YUGOSLAVS AT THE JOINT BOARD MEETING MARCH 7-11. SECOND, THE NATIONAL ACADEMY OF SCIENCES SHOULD EXPLAIN TO ITS YUGOSLAV COUNTERPART WHY IT CANNOT IMPLEMENT THE AGREEMENT ON A JOINT RESEARCH PROGRAM SIGNED IN EARLY 1975. THIRD, THE MACEDONIAN GOVT SHOULD BE INFORMED BY AN APPROPRIATE USG OFFICIAL THAT THE PROPOSED SOLAR NEUTRINO EXPERIMENT IS BEING DELAYED OWING TO ERDA'S UNEXPECTED FUNDING PROBLEM. FOURTH, THE CHANGE OF ADMINISTRATIONS MUST NOT BE ALLOWED TO DIMINISH THE PRESENT MOMENTUM TOWARD GETTING NEGOTIATIONS UNDERWAY ON THE KRSKO NUCLEAR EXPORT LICENSE. END SUMMARY.

1. THE INTERACTION BETWEEN YUGOSLAVIA AND THE U.S. IN SCIENCE AND TECHNOLOGY IS NOT ONLY IMMENSE FROM THE YUGOSLAV PERSPECTIVE BUT ALSO HIGHLY ASYMMETRICAL. THE BILATERAL COOPERATIVE PROGRAM, FINANCED MOSTLY BY PL-480 FUNDS, IS ONE OF THE WORLD'S LARGEST. OUR UNOFFICIAL ESTIMATE IS THAT THE EQUIVALENT OF ALMOST 50 MILLION DOLLARS HAS BEEN COMMITTED FOR RESEARCH PROJECTS SINCE THE MID-1960'S--IN A COUNTRY OF ONLY 21 MILLION. IN ADDITION, THE YUGOSLAVS HAVE CHOSEN AMERICAN TECHNOLOGY FOR A NUMBER OR LARGE PROJECTS: TO CITE TWO LEADING EXAMPLES: THEIR FIRST NUCLEAR PLANT, ESTIMATED AT 600 MILLION DOLLARS, AND THE MASSIVE DOW-INA PETROCHEMICAL PROJECT ESTIMATED AT ABOUT 700 MILLION DOLLARS.

2. ASYMMETRY EXISTS MOST OBVIOUSLY IN RELATIVE IMPORTANCE. FOR THE U.S., THE US-YUGOSLAV RELATIONSHIP IN SCIENCE AND TECHNOLOGY IS ONLY A SMALL PART OF A MASSIVE GLOBAL INTERACTION. FOR THE YUGOSLAVS, IT PERMEATES THE SCIENTIFIC COMMUNITY AND DOMINATES
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SCIENTIFIC COOPERATION WITH OTHER COUNTRIES. THERE IS, HOWEVER, A MORE SUBTLE, SECOND-ORDER ASYMMETRY. FOR U.S. SCIENTISTS AND ADMINISTRATORS, SCIENTIFIC COOPERATION IS FUNCTIONAL: PROBLEMS ARE TO BE SOLVED OBJECTIVELY ON RELATIVE TECHNICAL MERITS. FOR THE YUGOSLAVS, HOWEVER, INTERACTION WITH EITHER SUPERPOWER IS HEAVILY LADENED WITH POLITICAL OVERTONES. THEY FEEL A NEED TO BALANCE THEIR OVERALL RELATION BETWEEN EAST AND WEST. THEY TEND TO PERCEIVE THE U.S. PERHAPS LESS AS A DIRECT SECURITY THREAT BUT NEVERTHELESS AS AN OPPONENT, WHETHER CONSCIOUS OR NOT, OF YUGOSLAV NATIONAL IDEOLOGY AND INTERNATIONAL AMBITIONS IN THE THIRD WORLD. WHETHER WE LIKE IT OR NOT, INTERACTION WITH THE YUGOSLAVS WILL RARELY BE PURELY FUNCTIONAL. THERE WILL USUALLY BE A STRONG POLITICAL ELEMENT, HENCE GOVERNMENTAL INVOLVEMENT.

3. IN THE PAST YEAR, SIX PROBLEMS HAVE CONVERGED IN U.S.-YUGOSLAV SCIENTIFIC AND TECHNOLOGICAL INTERATION. NONE OF THESE ARE DIRECTLY CONNECTED BUT THESE PROBLEMS BY THEIR COINCIDENCE MAY GIVE THE YUGOSLAVS THE WRONG SIGNAL THAT THE U.S. IS SEEKING TO PRESSURE THEM

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BY
RESTRICTING SCIENTIFIC COOPERATION. AGAINST THIS BACKGROUND,
EVEN MINOR PROBLEMS ASSUME EVEN GREATER POLITICAL SIGNIFICANCE
IN YUGOSLAV EYES AND REQUIRE MORE CARE THAN UNDER NORMAL CIRCUMSTANCE
S.

4. BY FAR THE MOST SERIOUS OF THESE PROBLEMS IS THE DECISION
OF THE USG NOT TO ISSUE A NUCLEAR EXPORT LICENSE FOR KRSKO
UNTIL THE GOY GIVES CERTAIN ADDITIONAL SAFEGUARDS ASSURANCES
(REFS A, B AND C). THIS PROBLEM WAS EXACERBATED, IN YUGOSLAV
EYES, BY THE YEAR AND A HALF OF OFFICIAL SILENCE BETWEEN THE
APPLICATION FO THE LICENSE AND THE EVENTUAL REQUEST BY THE USG
FOR ADDITIONAL SAFEGUARDS. THOUGH TECHNICALLY AN AFFAIR BETWEEN
THE NUCLEAR REGULATORY COMMISSION AND WESTINGHOUSE, THE IMPLICATIONS
FOR U.S.-YUGOSLAV RELATIONS HAVE BECOME DISTURBINGLY CLEAR.

5. A SECOND PROBLEM IS THE EXHAUSTION OF THE U.S. SPECIAL FOREIGN
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CURRENCY FUNDS USED TO FINANCE BILATERAL RESEARCH PROJECTS.
DESPITE OUR CONTINUED ARGUMENTS OVER SEVERAL YEARS THAT THIS SPECIAL
CIRCUMSTANCE IS COMING INEVITABLE TO AN END, THE YUGOSLAVS CLING
STUBBORNLY TO THE BELIEF THAT IF THE U.S. HAD THE POLITICAL WILL,
IT COULD EXTEND THE FUND. THEY WILL LOOK FOR A MORE FAVORABLE
RESPONSE FROM THE NEW ADMINISTRATION.

6. A THIRD PROBLEM, WHICH FORTUNATELY APPEARS RESOLVED, IS
THE SUCCESSFUL USG STRATEGY OF CLAMPING DOWN ON EXPORTS OF
POSSIBLY

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SS-15 USIA-06 ERDA-05 NAS-01 /071 W
----------010753Z 002554 /11
R 310926Z JAN 77
FM AMEMBASSY BELGRADE
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AMEMBASSY MOSCOW
AMEMBASSY WARSAW

C O N F I D E N T I A L SECTION 2 OF 2 BELGRADE 566

STRATEGIC EQUIPMENT IN ORDER TO OBTAIN ASSURANCES FROM THE GOY THAT SUCH MATERIAL WOULD NOT AGAIN BE ILLEGALLY RETRANSFERRED TO BLOC COUNTRIES (REF D). NOTE THAT WE ARE NOT NOW ARGUING AGAINST THIS STRATEGY, WHICH WE FULLY ENDORSED, ONLY POINT OUT ITS COINCIDENCE WITH OTHER TECHNOLGICAL PROBLEMS.

7. A FOURTH PROBLEM WAS CREATED BY THE CONCERTED EFFORTS OF THE YUGOSLAVS TO WEIGH THE TRAVEL-ONLY GRANTS OF THE FULBRIGHT PROGRAM HEAVILY IN FAVOR OF THE HARD SCIENCES. THE EMBASSY WAS SURPRISED BY THEIR RELENTLESSNESS IN PURSUING THIS OBJECTIVE (AND THEY BY OUR REFUSAL TO RETREAT FROM AN ISISTENCE ON A BALANCED PROGRAM). A COMPROMISE HAS BEEN REACHED BUT NEITHER SIDE HAS CHANGED ITS POSITION. REPORTEDLY THE HARDLINERS WERE BUTTRESSED BY A DECISION OF THE FEDERAL EXECUTIVE COUNCIL IN WHAT HAD BECOME FOR THE GOY A MATTER OF PRICNCIPLE. WHILE MINOR, THIS PROBLEM SHOWED JUST HOW HARD THE YUGOSLAVS WOULD FIGHT TO MAINTAIN THEIR ACCESS TO U.S. SCIENCE AND TECHNOLOGY.

8. TWO OTHER PROBLEMS HAVE EMERGED THAT, THOUGH ALSO MINOR, TAKE ON ADDITIONAL IMPORTANCE BECAUSE OF THE INCREASED POSSIBILITY
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OF BEING MISINTERPRETED BY THE YUGOSLAVS AS POLITICALLY MOTIVATED. THE FIRST OF THESE IS THE INABILITY OF THE U.S. NATIONAL ACADEMY OF SCIENCE TO IMPLEMENT ITS AGREEMENT WITH THE COUNCIL OF YUGOSLAV ACADEMIES TO UNDERTAKE A PROGRAM FOR JOINT SCIENTIFIC RESEARCH. THE AGREEMENT WAS SIGNED BY THE TOW PARTIES ON MARCH 28, 1975. THE U.S. SIDE IS UNABLE TO MOVE, APPARENTLY BECAUSE OF A DISAGREEMENT BETWEEN THE NAS AND THE NATIONAL SCIENCE BOARD OF THE NSF, THE FUNDING AGENCY. TOP YUGOSLAV SCIENTISTS, HOWEVER, ARE STILL UNDER THE IMPRESSION THAT THE PROGRAM CAN BE SALVAGED (REF E) AND HAVE HEARD NOTHING FURTHER SINCE REF F LAST YEAR. THE IMPASSE AND THE SILENCE FROM THE NAS IS NOW HAVING POLITICAL REPERCUSSIONS. ONE LEADING SCIENTIST RECENTLY SAID THAT AN INFLUENTIAL SEGMENT OF THE YUGOSLAV SCIENCE COMMUNITY IS USING THE STALLED PROGRAM TO BUTRESS THEIR AGRUMENTS THAT THE USG IS RESTRICTING SCIENTIFIC COOPERATION, THAT THE U.S. IS AN UNRELIABLE PARTNER, AND THAT ALL TIES WITH THE NAS SHOULD BE SEVERED.

9. THE SIXTH PROBLEM ALSO ILLUSTRATES THE POLITICAL ASPECTS OF TECHNICAL COOPERATION BETWEEN THE U.S. AND YUGOSLAVIA. AT FIRST GLANCEGR THE DALAY IN IMPLEMENTING A JOING RESEARCH PROJECT ON

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SOLAR NEUTRINOS USING RARE THALLIUM FROM AN ABANDONED MINE IN
MACEDONIA MAY SEEM LIKE A FUNCTIONAL MATTER THAT CAN BE LEFT TO
THE TECHNICAL ORGANIZATIONS INVOLVED--AS THE DEPARTMENT
RECOMMENDED (REF G). HOWEVER THIS IS NOT THE CASE. PERMISSION
FROM THE MACEDONIAN GOVERNMENT CAME ONLY AFTER CONTINUED PRESSURE
FROM THE EMBASSY ON THE FEDERAL AUTHORITIES AND THE CONSIDERED
POSSIBILITY THAT THE SOVIETS MAIGHT INSTEAD BE SELECTED. THE
DECISION WHEN FINALLY MADE WAS PASSED DIRECTLY FROM THE PRIME
MINISTER OF MACEDONIA TO THE ACTING SECRETARY OF STATE (REF H).
INTEREST ON THE YUGOSLAV SIDE REMAINS SUFFICIENTLY HIGH AND
PUBLIC FOR AN IMPORTANT EVENING NEWSPAPER TO CARRY A FEATURE
ARTICLE (VJESNIK DEC. 29, 1976) ON THE JOINT PROJECT--AN
ARTICLE SUMMARIZED IN TANJUG THE NEXT DAY.

10. IF THESE PROBLEMS DO NOT RESPOND TO CONCERTED USG ACTION,
THEN WE OWE IT TO THE YUGOSLAVS, AND THE PROPER CONDUCT OF
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DIPLOMACY SUGGESTS, THAT WE EXPLAIN FRANKLY AND EXPEDITIOUSLY
WHAT PROBLEMS THE USG HAS--FOR EXAMPLE, AS WE DID IN REGARD
TO EXPORT CONTROLS. FIRST WE SHOULD MAINTAIN A CONTINUOUS DIALOGUE
WITH THE YUGOSLAVS ON THE ISSUE OF THE NUCLEAR EXPORT LICENSE
FOR KRSKO. THE CHANGEOVER IN ADMINISTRATIONS MUST NOT BE
ALLOWED TO STALL THE CURRENT MOMENTUM TOWARD NEGOTIATIONS.
SECOND, WE SHOULD GIVE THE YUGOSLAVS AN UNEQUIVOCAL ANSWER ON
CONTINUING OUR CONTRIBUTIONS TO THE JOINT FUND. IF THE ANSWER
REMAINS, AS WE SUSPECT, NEGATIVE, THE U.S. SHOULD STATE SO,
PERHAPS AT THE MARCH 7-11 JOINT BOARD MEETING AND EXPLAIN WHY.
THIRD, IN REGARD TO THE JOINT RESEARCH PROGRAM OF THE ACADEMIES,
THE NAS AND NSF SHOULD EXPLAIN IN DETAIL THE PROBLEM THE
PROGRAM CAUSES BOTH AGENCIES. AN OCCASION FOR THIS IS THE
VISIT TO THE U.S. THIS FEBRUARY OF DR. RAKIC OF THE
UNIVERSITY OF BELGRADE. FOURTH, REGARDING THE MACEDONIAN PROJECT,
WE WOULD HOPE THAT SOME MOTION CAN BE GENERATED BEFORE
THE NEXT FISCA YEAR, E.G., INVITE A YUGOSLAV SCIENTIST TO GO
TO THE U.S. TO COLLABORATE IN THE DESIGN OF THE RESEARCH PROJECT.
IF NOT, AN EXPLANATION SHOULD BE GIVEN TO THE MACEDONIAN
GOVERNMENT, PERHAPS ON THE OCCASION OF A VISIT TO SKOPJE BY
SCIATT.

11. TO CONCLUDE, THE PRESENCE OF IRRITATING PROBLEMS DOES NOT
MEAN THAT A RELATIONSHIP IS GOING SOUR AND SHOULD BE CHANGED.
THE GROWING NUMBER AND IMPORTANCE OF FUNCTIONAL PROBLEMS IN
FOREIGN RELATIONS REFLECTS THE INCREASING DEGREE OF INTERACTION
AMONG NATIONS. THE CHALLENGE IS TO DEVELOP THE MECHANISM, WILL
AND DISCIPLINE TO DEAL WITH PROBLEMS EXPEDITIOUSLY.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SCIENTIFIC COOPERATION, POLICIES, ECONOMIC ASSISTANCE, TECHNOLOGICAL EXCHANGES, INTERAGENCY MEETINGS, COMMUNIST DOCTRINE
Control Number: n/a
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BELGRA00566
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: DG ALTERED
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770035-0124
Format: TEL
From: BELGRADE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977014/aaaaadcy.tel
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Litigation Code IDs:
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Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 706047d5-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 BELGRADE 405, 77 STATE 8451, 76 STATE 295017
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3566720
Secure: OPEN
Status: NATIVE
Subject: US-YUGOSLAV COOPERATION IN SCIENCE AND TECHNOLOGY: THE POLITICAL STRAINS OF FUNCTIONAL INTERACTION
TAGS: TGEN, TECH, YO, US
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/706047d5-c288-dd11-92da-001cc4696bcc
Review Markings:
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Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009